

Message Text

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PAGE 01 LAGOS 02083 211425Z
ACTION AF-10

INFO OCT-01 ISO-00 EB-08 AID-05 OPIC-06 COME-00 HUD-02
CIAE-00 INR-10 NSAE-00 /042 W
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FM AMEMBASSY LAGOS
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AMCONSUL KADUNA

UNCLAS LAGOS 2083

ALSO FOR AID (HOUSING) AND OPIC: ABIDJAN FOR RHUDO/MR. VOTAW

E.O. 11652 : NA
TAGS : BENC, BTIO, ECRE, EFIN, SOCI, SPOP, BDIS, NI
SUBJ : HOUSING: FESTIVAL TOWN, PHASE II, OFFERED ON FINANCE/ CONSTRU
T
BASIS

REF: A) LAGOS A-/77\$/ 11, FEB. 3: B) LAGOS 1368: C) LAGOS 1800:
D) LAGOS A-17, FEB. 16

SUMMARY: NIGERIA'S FEDERAL HOUSING AUTHORITY (FHA) HAS INFORMED
US OF ANOTHER HOUSING PROGRAM NOW BEING OFFERED TO DEVELOPERS.
IT IS PHASE II OF FESTIVAL TOWN, LAGOS, COMPRISED OF ABOUT
12,000 UNITS IN FOUR SECTIONS. OFFER IS SIMILAR TO EARLIER
PROJECTS EXCEPT THAT THE MINIMUM NUMBER OF UNITS PER DEVELOPER
IS 250 RATHER THAN 500 AND LAND RECLAMATION IS INVOLVED.
RESPONSES DUE BY MARCH 16. DEVELOPMENTS NOW ON OFFER TOTAL
58,000 UNBIN
WORTH ABOUT DOLS 3.5 BILLION(INCLUDING INFRA-
STRUCTURE) WITH ANOTHER 20,0000 UNITS WORTH DOLS 1.2 BILLION
LIKELY TO BE OFFERED SOON. END SUMMARY

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1. IN LETTER DATED FEB. 6 (SENT AS A-17) FHA HAS INFORMED
US THAT IT IS Effering TO DEVELOPERS ON A FINANCE-DESIGN-
CONSTRUCT BASIS 12,000 HOUSING UNITS IN FOUR SECTIONS TO
COMPLE FHA'S INITIAL HOUSING PJROJECT STARTED IN 1974,
FESTIVAL TOWN, 10 MILES WEST OF LAGOS ON BADAGRY HIGHWAY, NOT
FAR FROM THE LAGOS TRADE FAIR COMPLEX. FHA IS SITUATED WITHIN
PHASE I, MEANT INITIALLY TO HOUSE VISITORS TO THE SECOND

WORLD FESTIVAL OF BLACK AND AFRICAN ARTS IN 1975. CONSTRUCTION DELAYS FORCED POSTPONEMENT OF THE FESTIVAL TO EARLY 1977.

SEVERAL INEXPERIENCED AND UNQUALIFIED AMERICAN BUILDERS CAME TO GRIEF IN PHASE I, FAILING TO COMPLETE THEIR CONTRACTS AND BECOMING EMBROILED IN STILL-UNRESOLVED DISPUTES WITH THEIR NIGERIAN OR AMERICAN ASSOCIATES. THIS HAS DONE GREAT DAMAGE TO THE REPUTATION OF THE AMERICAN CONSTRUCTION INDUSTRY HERE.

2. THE CURRENT FHA APPROACH AND ITS NATIONAL HOUSING GUIDELINES (A-11) DRAW ON THE LESSONS OF PHASE I. ABESAN NEW TOWN AND FESTIVAL TOWN PHASE II ARE BEING OFFERED TO AN INTERNATIONAL LIST OF COMPANIES VITITED LAST YEAR BY FHA OFFICIALS, INCLUDING AT LEAST FOUR AMERICAN COMPANIES (LAGOS 1368, PARA 7). FHA TFYL LP BS HAVE TOLD US THEY WILL ACCEPT PROPOSALS FROM UNLISTED FIRMS BUT WILL SCRUTINIZE THEM CLOSELY TO AVOID A REPETITION OF THE UNPLEASANT PHASE I EXPERIENCE. IN ANOTHER LESSON FROM PHASE I, THE USE OF STEEL AND TIMBER PANEL SYSTEMS FOR RESIDENTIAL BUILDINGS IS PROHIBITED.

DLNO. 5ERMS OF THE PHASE II OFFER AND QUALIFICATIONS REQUIRED OF INTERESTED FIRMS OR CONSORTIA ARE SIMILAR TO THOSE OF ABESAN NEW TOWN(SEE LAHOS A-10) EXCEPT THAT THE MINIMUM NUMBER OF UNITS PER DEVELOPER IS 250 UNITS AND THE SCOPE OF WORK INCLUDES LAND RECLAMATION. THE DEADLINE FOR EXPRESSIONS OF INTEREST IN PRINCIPLE AND QUALIFICATIONS IS MARBEADUQXM UNCLASSIFIED

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THEY SHOULD BE SENT TO: THE ASSISTANT DIRECTOR (CIVIL ENGINEERING), FEDERAL HOUSING AUTHORITY, BADAGRY ROAD, P.M.B. 3200, SURULERE, LAGOS, NIGERIA, WITH THE ENVELOPE TOP LEFT CORNER MARKED RENEWAL TOWN PHASE II.

4. EMBASSY COMMENT: ADDED TO ABESAN'S 46,000 UNITS WORTH DOLS 2.89 BILLION, PHASE II'S 12,000 UNITS WORTH ABOUT DOLS 720 MILLION (INCLUDING INFRASTRUCTURE) BRING THE TOTAL RECENT FHA DEVELOPMENT OFFERS TO 58,000 UNITS WORTH DOLS 3.5 BILLION. ANOTHER NEW TOWN TO BE CALLED EXPRESSWAY TOWN OR LAGUN (LAGOS 1800) EXPECTED TO BE OFFERED SOON PROBABLY WOULD ENTAIL ANOTHER 20,000 UNITS WORTH ABOUT DOLS 1.2 BILLIONLM GRAND TOTAL IS 78,000 UNITS AND DOLS 4.7 BILLION, ALL IN THE LAGOS AREA, FOR ROUGHTLY 400-460,000 PEOPLE.(5 UNFORTUNATELY, THIS IS LESS THAN TWO YEARS NATURAL INCREASE OF THE LAGOS METROPOLITAN AREA POPULATION, ESTIMATED RECENTLY AT 250,000 ANNUALLY. EASUM

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